

PEPPER, HAMILTON & SCHEETZ
ATTORNEYS AT LAW

123 SOUTH BROAD STREET
PHILADELPHIA, PENNSYLVANIA 19109
215-893-3000

RECORDATION NO. 9747 Filed 1425

OCT 6 1978 - 2 10 PM

INTERSTATE COMMERCE COMMISSION

H. Gordon Homme, Jr.
Acting Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Mr. Homme:

I am sending herewith for filing in your office pursuant to Section 20c of the Interstate Commerce Act, six counterparts of each of the following:

- (a) Conditional Sale Agreement dated as of September 15, 1978 between General Motors Corporation (Electro-motive Division) and Exchange National Bank of Chicago, as Trustee ("Exchange Bank"), covering 7 diesel-electric locomotives for use in interstate commerce;
- (b) Agreement and Assignment dated as of September 15, 1978 between General Motors Corporation (Electro-motive Division) and Girard Bank, as Agent for Investors, pursuant to which General Motors Corporation assigns to Girard Bank the former's interest in the Conditional Sale Agreement and in the locomotives;
- (c) Lease of Railroad Equipment dated as of September 15, 1978 between Toledo, Peoria & Western Railroad Company and Exchange National Bank of Chicago, as Trustee, pursuant to which the locomotives are leased to the lessee; and
- (d) Lease Assignment dated as of September 15, 1978 from Exchange Bank, as Trustee, to Girard Bank, as Agent, pursuant to which Exchange Bank assigns to the agent the former's interest in the lease.

RECEIVED

OCT 6 2 08 PM '78

I.C.C.
FEE OPERATION BR.

RECORDATION NO. 9747 Filed 1425

OCT 6 1978 - 2 10 PM

INTERSTATE COMMERCE COMMISSION

10 SOUTH MARKET SQUARE
HARRISBURG, PA. 17108
717-233-8483

1776 F STREET, N. W.
WASHINGTON, D. C. 20006
202-862-7500

2049 CENTURY PARK EAST
LOS ANGELES, CA. 90067
213-879-0904

RECORDATION NO. 9747 Filed 1425

OCT 6 1978 - 2 10 PM

INTERSTATE COMMERCE COMMISSION

No.

Date

Fee

8-278A158

OCT 6 1978 - 2 10 PM

INTERSTATE COMMERCE COMMISSION

ICC Washington, D. C.

H. Gordon Homme, Jr.

-2-

October 2, 1978

There is also enclosed a check in the amount of not more than \$200 for the recordation fees. The names and addresses of the parties to the transaction are as follows:

Vendor:	General Motors Corporation Electro-Motive Division LaGrange, Illinois 60525
Purchaser and Lessor:	Exchange National Bank of Chicago 130 LaSalle Street Chicago, Illinois 60609 Attn: Michael Goodman
Lessee:	Roger Ryan Toledo, Peoria & Western Railroad Company 2000 East Washington St. East Peoria, Illinois 61611
Assignee of Conditional Sale Agreement and of Lease:	Harold Ikeler, Jr. Vice President Girard Trust Bank, as Agent 3 Girard Square Philadelphia, Pennsylvania 19101

The equipment covered by the agreement consists of 7 - 2000 h.p. diesel-electric locomotives, GP38-2, with A.A.R. mechanical designation B-B bearing Lessee road numbers 2005-2011, inclusive, and marked "Leased from a Bank or Trust Company, as Trustee, and subject to a Security Interest recorded with the I.C.C."

Kindly return to the bearer five counterparts of each of the documents.

Very truly yours,


James A. Ounsworth

JAO/jcm
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

10/6/78

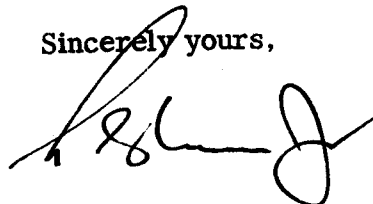
OFFICE OF THE SECRETARY

James A. Ounsworth
Pepper, Hamilton & Scheetz
123 South Broad Street
Philadelphia, Pennsylvania 19109

Dear Sir:

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,
49 U.S.C. 20(c), on **10/6/78** at **2:10pm**,
and assigned recordation number(s) **9747, 9747-A, 9747-B, 9747-C**

Sincerely yours,



H.G. Homme, Jr.,
Acting Secretary

Enclosure(s)

SE-30-T
(2/78)

9747-A
RECORDATION NO. 9747-A Filed 10/8/78

OCT 8 1978 8 10 PM

INTERSTATE COMMERCE COMMISSION

AGREEMENT AND ASSIGNMENT

Dated as of September 15, 1978

between

GENERAL MOTORS CORPORATION
(Electro-Motive Division)

Builder

and

GIRARD BANK,

Agent

[Covering 7 Diesel-Electric Locomotives]

AGREEMENT AND ASSIGNMENT dated as of September 15, 1978 between General Motors Corporation (Electro-Motive Division), a Delaware corporation (the Builder), and Girard Bank, as agent (the Assignee) for The Life Insurance Company of Virginia (hereinafter, whether one or more, called the Investors).

WHEREAS the Builder and Exchange National Bank of Chicago, a national banking association, as Trustee (the Vendee) under a Trust Agreement (the Trust Agreement) dated as of the date hereof with Michigan National Leasing Corporation, a Delaware corporation (the Beneficiary), have entered into a conditional sale agreement dated as of the date hereof (the Conditional Sale Agreement) covering the construction, sale and delivery, on the conditions therein set forth, by the Builder and the purchase by the Vendee of the railroad equipment described in Annex A to the Conditional Sale Agreement (the Equipment or Units collectively, and a Unit individually); and the Vendee is leasing the Equipment to Toledo, Peoria & Western Railroad Company, a Delaware corporation (the Lessee), pursuant to a lease of railroad equipment dated as of the date hereof (the Lease), the right, title and interest of the Vendee in such Lease being concurrently herewith assigned to the Assignee pursuant to a lease assignment dated the date hereof (the Lease Assignment).

NOW, THEREFORE, THIS AGREEMENT AND ASSIGNMENT (the Assignment) WITNESSETH: That, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by the Assignee to the Builder, the receipt of which is hereby acknowledged, as well as of the mutual covenants herein contained:

Section 1. The Builder hereby assigns, transfers, and sets over unto the Assignee, its successors and assigns:

(a) All the Security Title (as defined in the Conditional Sale Agreement) of the Builder in and to each Unit when and as severally delivered to and accepted by the Vendee, subject to payment by the Assignee to the Builder of the amount to be paid pursuant to Section 4 hereof and of the amounts due to the Builder under the Conditional Sale Agreement;

(b) All the right, title and interest of the Builder in and to the Conditional Sale Agreement (except the right to construct and deliver the Equipment and the right to receive the payments specified in the first paragraph and

in subparagraph (a) of the third paragraph of Article 4 thereof and reimbursement for taxes paid or incurred by the Builder) and except as aforesaid in and to any and all amounts which may be or become due or owing to the Builder under the Conditional Sale Agreement on account of the indebtedness in respect of the Purchase Price (as defined in the Conditional Sale Agreement) of the Equipment and interest thereon, and in and to any other sums becoming due from the Vendee under the Conditional Sale Agreement, other than those hereinabove excluded; and

(c) Except as limited by subparagraph (b) of this paragraph, all the Builder's rights, titles, powers, privileges and remedies under the Conditional Sale Agreement;

without any recourse hereunder, however, against the Builder for or on account of the failure of the Vendee to make any of the payments provided for in, or otherwise to comply with, any of the provisions of the Conditional Sale Agreement; provided, however, that this Assignment shall not subject the Assignee to, or transfer, or pass, or in any way affect or modify, the obligations of the Builder to deliver the Equipment in accordance with the Conditional Sale Agreement or with respect to its warranties and agreements contained in Article 2, 3 and 13 of the Conditional Sale Agreement or relieve the Vendee from its obligations to the Builder contained in Articles 1, 3, 4, 6 and 13 of the Conditional Sale Agreement, it being understood and agreed that, notwithstanding this Assignment, or any subsequent assignment pursuant to the provisions of Article 14 of the Conditional Sale Agreement, all obligations of the Builder to the Vendee with respect to the Equipment shall be and remain enforceable by the Vendee, its successors and assigns, against and only against the Builder. In furtherance of the foregoing assignment and transfer, the Builder hereby authorizes and empowers the Assignee in the Assignee's own name, or in the name of the Assignee's nominee, or in the name of and as attorney, hereby irrevocably constituted, for the Builder, to ask, demand, sue for, collect, receive and enforce any and all sums to which the Assignee is or may become entitled under this Assignment and compliance by the Vendee with the terms and agreements on its part to be performed under the Conditional Sale Agreement, but at the expense and liability and for the sole benefit of the Assignee.

Section 2. The Builder agrees that it shall construct the Equipment in full accordance with the Conditional Sale Agreement and will deliver the same upon completion to the Vendee in accordance with the provisions of the Conditional Sale Agreement; and that, notwithstanding this Assignment, it will perform and fully comply with each of and all the covenants and conditions of the Conditional Sale Agreement set forth to be performed and complied with by the Builder. The Builder further agrees that it will warrant to the Assignee and the Vendee that at the time of delivery of a Unit under the Conditional Sale Agreement it had legal title to such Unit and good and lawful right to sell such Unit and that title to such Unit was free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee under the Conditional Sale Agreement and the rights of the Lessee under the Lease and the Builder further agrees that it will defend the title to such Unit against the demands of all persons whomsoever based on claims originating prior to the delivery of such Unit by the Builder under the Conditional Sale Agreement; all subject, however, to the provisions of the Conditional Sale Agreement and the rights of the Vendee thereunder. The Builder will not deliver any of the Equipment to the Vendee under the Conditional Sale Agreement until the Conditional Sale Agreement and the Lease have been filed and recorded in accordance with Section 20c of the Interstate Commerce Act (the Builder and its counsel being entitled to rely on advice from counsel for the Assignee or from counsel for the Lessee that such filing, recordation, deposit and provision for notice have occurred).

Section 3. The Builder agrees with the Assignee that in any suit, proceeding or action brought by the Assignee under the Conditional Sale Agreement for any installment of, or interest on, indebtedness in respect of the Purchase Price (as defined in the Conditional Sale Agreement) of the Equipment or to enforce any provision of the Conditional Sale Agreement, the Builder will indemnify, protect and hold harmless the Assignee from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever claimed by the Vendee, or the Lessee arising out of a breach by the Builder of any obligation with respect to the Equipment or the manufacture, construction, delivery or warranty thereof, or by reason of any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at

any time owing to the Vendee or the Lessee by the Builder. The Builder's obligation so to indemnify, protect and hold harmless the Assignee is conditioned upon (a) the Assignee's timely motion or other appropriate action, on the basis of Article 14 of the Conditional Sale Agreement, to strike any defense, setoff, counterclaim or recoupment asserted by the Vendee or the Lessee in any such suit, proceeding or action and (b) if the court or other body having jurisdiction in such suit, proceeding or action denies such motion or other action and accepts such defense, setoff, counterclaim or recoupment as a triable issue in such suit, proceeding or action, the Assignee's prompt notification to the Builder of the asserted defense, setoff, counterclaim or recoupment and the Assignee's giving the Builder the right, at the Builder's expense, to compromise, settle or defend against such defense, setoff, counterclaim or recoupment.

The Builder shall defend any suit or proceeding brought against the Agent so far as based on a claim that the Equipment, insofar as the Equipment or any part thereof was built to the Builder's specifications, furnished under the Conditional Sale Agreement, constitutes an infringement of any patent, if notified promptly in writing and given authority, information and assistance (at Builder's expense) for the defense of same, and the Builder shall pay all damages and costs awarded therein against the Agent. The Builder agrees that any amounts payable to it by the Vendee with respect to the Equipment, whether pursuant to the Conditional Sale Agreement or otherwise, not hereby assigned to the Assignee, shall not be secured by any lien, charge or security interest upon the Equipment or any Unit thereof.

Section 4. The Assignee, on any Closing Date fixed as provided in Article 4 of the Conditional Sale Agreement with respect to the Units purchased on said Closing Date, shall pay to the Builder an amount equal to the portion of the purchase price thereof and such other amount which, under the terms of said Article 4, is payable in installments, provided that there shall have been delivered to the Assignee (with an executed counterpart to the Vendee), on or prior to such Closing Date, the following documents, in form and substance satisfactory to it and to its special counsel Messrs. Pepper, Hamilton & Scheetz in such number of counterparts as may be reasonably requested by said counsel:

(a) A bill of sale from the Builder to the Assignee transferring to the Assignee Security Title to the Units then being settled for under the Conditional Sale Agreement, warranting to the Assignee and to the Vendee (i) that, at the time of delivery of such Units under the Conditional Sale Agreement, the Builder had legal title to such Units and good and lawful right to sell such Units and (ii) that, at the time of delivery of such Units under the Conditional Sale Agreement, title to such Units is free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee under the Conditional Sale Agreement and the rights of the Lessee under the Lease, and covenanting to defend the title to such Units against the demands of all persons whomsoever based on claims originating prior to the delivery of such Units by the Builder under the Conditional Sale Agreement.

(b) A Certificate or Certificates of Acceptance with respect to the Units as contemplated by Article 3 of the Conditional Sale Agreement and Section 2 of the Lease;

(c) An invoice of the Builder addressed to the Assignee for the Units, accompanied by or having endorsed thereon a certification by the Vendee and the Lessee as to their approval thereof;

(d) The opinions of counsel for the Builder to the effect set forth in Exhibits J and L of the Participation Agreement (as defined in the Conditional Sale Agreement).

The obligation of the Assignee hereunder to make payment for any of the Units assigned hereunder is hereby expressly conditioned upon the Assignee having on deposit, pursuant to the terms of the Finance Agreement, sufficient funds available to make such payment and upon payment by the Vendee of the amounts required to be paid by it pursuant to subparagraph (a) of the third paragraph of Article 4 of the Conditional Sale Agreement. The Assignee shall also not be obligated to make any abovementioned payment at any time while an event of default, or any event which with the lapse of time or the giving of notice or both would constitute an event of default, shall be existing under the Conditional Sale Agreement. In the event that the Assignee shall not make any such payment, the Assignee shall reassign to the Builder, without recourse to the Assignee, the Security Title of the Assignee in and to the Unit with respect to which payment has not been made by the Assignee.

Section 5. The Assignee may assign all or any of its rights under the Conditional Sale Agreement, including the right to receive any payments due or to become due to it from the Vendee thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, and upon giving the written notice required in Article 14 of the Conditional Sale Agreement, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

Section 6. The Builder hereby:

(a) represents and warrants to the Assignee, its successors and assigns, that the Conditional Sale Agreement was duly authorized by it and lawfully executed and delivered by it for a valid consideration; that, assuming due authorization, execution and delivery by the Vendee, the Conditional Sale Agreement is, insofar as the Builder is concerned, a legal, valid and existing agreement binding upon the Builder in accordance with its terms and that it is now in force without amendment thereto;

(b) agrees that it will from time to time and at all times, at the request of the Assignee or its successors or assigns, make, execute and deliver all such further instruments of assignment, transfer and assurance and do such further acts and things as may be necessary and appropriate in the premises to give effect to the provisions hereinabove set forth and more perfectly to confirm the rights, titles and interests hereby assigned and transferred to the Assignee or intended so to be; and

(c) agrees that, upon request of the Assignee, its successors and assigns, it will execute any and all instruments which may be necessary or proper in order to discharge of record the Conditional Sale Agreement or any other instrument evidencing any interest of the Builder therein or in the Equipment.

Section 7. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Pennsylvania; provided, however, that the parties shall be entitled to all the rights conferred by Section 20c of the Interstate Commerce Act, such additional rights arising out of the filing, recording or depositing of the Conditional Sale Agreement and this Agreement as shall

be conferred by the laws of the several jurisdictions in which the Conditional Sale Agreement or this Assignment shall be filed, recorded or deposited, or in which any Unit shall be located, and any rights arising out of the marking on the Units.

Section 8. This Assignment may be executed in any number of counterparts, but the counterpart delivered to the Interstate Commerce Commission for recording and subsequently redelivered to the Assignee shall be deemed to be the original counterpart. Although this Assignment is dated as of the date first written, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this instrument to be executed in their respective corporate names by duly authorized officials, and their respective corporate seals to be hereunto affixed and duly attested, all as of the date first above written.

[CORPORATE SEAL]

Attest:


ASSISTANT SECRETARY

GENERAL MOTORS CORPORATION
(Electro-Motive Division)

By 
Vice President

[CORPORATE SEAL]

Attest:

Assistant Secretary

GIRARD BANK


By _____
Vice President

STATE OF ILLINOIS

:
:SS.
:

COUNTY OF COOK

On this 27 th day of SEPTEMBER, 1978, before me personally appeared P. K. HOGLUND, to me personally known, who being by me duly sworn says that he is a Vice President of General Motors Corporation (Electro-Motive Division), that one of the seals affixed to the foregoing instruments is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public
My Commission Expires January 17, 1979

[NOTARIAL SEAL]

COMMONWEALTH OF PENNSYLVANIA :

:SS.

COUNTY OF PHILADELPHIA :

On this ____ th day of _____, 1978, before me personally appeared H.E. Ikeler, to me personally known, who, being by me duly sworn says that he is a Vice President of GIRARD BANK, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[NOTARIAL SEAL]

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Agreement and Assignment is hereby acknowledged as of _____, 1978.

EXCHANGE NATIONAL BANK OF
CHICAGO, not individually
but solely as Trustee

By _____

AGREEMENT AND ASSIGNMENT

Dated as of September 15, 1978

between

GENERAL MOTORS CORPORATION
(Electro-Motive Division)

Builder

and

GIRARD BANK,

Agent

[Covering 7 Diesel-Electric Locomotives]

AGREEMENT AND ASSIGNMENT dated as of September 15, 1978 between General Motors Corporation (Electro-Motive Division), a Delaware corporation (the Builder), and Girard Bank, as agent (the Assignee) for The Life Insurance Company of Virginia (hereinafter, whether one or more, called the Investors).

WHEREAS the Builder and Exchange National Bank of Chicago, a national banking association, as Trustee (the Vendee) under a Trust Agreement (the Trust Agreement) dated as of the date hereof with Michigan National Leasing Corporation, a Delaware corporation (the Beneficiary), have entered into a conditional sale agreement dated as of the date hereof (the Conditional Sale Agreement) covering the construction, sale and delivery, on the conditions therein set forth, by the Builder and the purchase by the Vendee of the railroad equipment described in Annex A to the Conditional Sale Agreement (the Equipment or Units collectively, and a Unit individually); and the Vendee is leasing the Equipment to Toledo, Peoria & Western Railroad Company, a Delaware corporation (the Lessee), pursuant to a lease of railroad equipment dated as of the date hereof (the Lease), the right, title and interest of the Vendee in such Lease being concurrently herewith assigned to the Assignee pursuant to a lease assignment dated the date hereof (the Lease Assignment).

NOW, THEREFORE, THIS AGREEMENT AND ASSIGNMENT (the Assignment) WITNESSETH: That, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration paid by the Assignee to the Builder, the receipt of which is hereby acknowledged, as well as of the mutual covenants herein contained:

Section 1. The Builder hereby assigns, transfers, and sets over unto the Assignee, its successors and assigns:

(a) All the Security Title (as defined in the Conditional Sale Agreement) of the Builder in and to each Unit when and as severally delivered to and accepted by the Vendee, subject to payment by the Assignee to the Builder of the amount to be paid pursuant to Section 4 hereof and of the amounts due to the Builder under the Conditional Sale Agreement;

(b) All the right, title and interest of the Builder in and to the Conditional Sale Agreement (except the right to construct and deliver the Equipment and the right to receive the payments specified in the first paragraph and

in subparagraph (a) of the third paragraph of Article 4 thereof and reimbursement for taxes paid or incurred by the Builder) and except as aforesaid in and to any and all amounts which may be or become due or owing to the Builder under the Conditional Sale Agreement on account of the indebtedness in respect of the Purchase Price (as defined in the Conditional Sale Agreement) of the Equipment and interest thereon, and in and to any other sums becoming due from the Vendee under the Conditional Sale Agreement, other than those hereinabove excluded; and

(c) Except as limited by subparagraph (b) of this paragraph, all the Builder's rights, titles, powers, privileges and remedies under the Conditional Sale Agreement;

without any recourse hereunder, however, against the Builder for or on account of the failure of the Vendee to make any of the payments provided for in, or otherwise to comply with, any of the provisions of the Conditional Sale Agreement; provided, however, that this Assignment shall not subject the Assignee to, or transfer, or pass, or in any way affect or modify, the obligations of the Builder to deliver the Equipment in accordance with the Conditional Sale Agreement or with respect to its warranties and agreements contained in Article 2, 3 and 13 of the Conditional Sale Agreement or relieve the Vendee from its obligations to the Builder contained in Articles 1, 3, 4, 6 and 13 of the Conditional Sale Agreement, it being understood and agreed that, notwithstanding this Assignment, or any subsequent assignment pursuant to the provisions of Article 14 of the Conditional Sale Agreement, all obligations of the Builder to the Vendee with respect to the Equipment shall be and remain enforceable by the Vendee, its successors and assigns, against and only against the Builder. In furtherance of the foregoing assignment and transfer, the Builder hereby authorizes and empowers the Assignee in the Assignee's own name, or in the name of the Assignee's nominee, or in the name of and as attorney, hereby irrevocably constituted, for the Builder, to ask, demand, sue for, collect, receive and enforce any and all sums to which the Assignee is or may become entitled under this Assignment and compliance by the Vendee with the terms and agreements on its part to be performed under the Conditional Sale Agreement, but at the expense and liability and for the sole benefit of the Assignee.

Section 2. The Builder agrees that it shall construct the Equipment in full accordance with the Conditional Sale Agreement and will deliver the same upon completion to the Vendee in accordance with the provisions of the Conditional Sale Agreement; and that, notwithstanding this Assignment, it will perform and fully comply with each of and all the covenants and conditions of the Conditional Sale Agreement set forth to be performed and complied with by the Builder. The Builder further agrees that it will warrant to the Assignee and the Vendee that at the time of delivery of a Unit under the Conditional Sale Agreement it had legal title to such Unit and good and lawful right to sell such Unit and that title to such Unit was free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee under the Conditional Sale Agreement and the rights of the Lessee under the Lease and the Builder further agrees that it will defend the title to such Unit against the demands of all persons whomsoever based on claims originating prior to the delivery of such Unit by the Builder under the Conditional Sale Agreement; all subject, however, to the provisions of the Conditional Sale Agreement and the rights of the Vendee thereunder. The Builder will not deliver any of the Equipment to the Vendee under the Conditional Sale Agreement until the Conditional Sale Agreement and the Lease have been filed and recorded in accordance with Section 20c of the Interstate Commerce Act (the Builder and its counsel being entitled to rely on advice from counsel for the Assignee or from counsel for the Lessee that such filing, recordation, deposit and provision for notice have occurred).

Section 3. The Builder agrees with the Assignee that in any suit, proceeding or action brought by the Assignee under the Conditional Sale Agreement for any installment of, or interest on, indebtedness in respect of the Purchase Price (as defined in the Conditional Sale Agreement) of the Equipment or to enforce any provision of the Conditional Sale Agreement, the Builder will indemnify, protect and hold harmless the Assignee from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever claimed by the Vendee, or the Lessee arising out of a breach by the Builder of any obligation with respect to the Equipment or the manufacture, construction, delivery or warranty thereof, or by reason of any defense, setoff, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at

any time owing to the Vendee or the Lessee by the Builder. The Builder's obligation so to indemnify, protect and hold harmless the Assignee is conditioned upon (a) the Assignee's timely motion or other appropriate action, on the basis of Article 14 of the Conditional Sale Agreement, to strike any defense, setoff, counterclaim or recoupment asserted by the Vendee or the Lessee in any such suit, proceeding or action and (b) if the court or other body having jurisdiction in such suit, proceeding or action denies such motion or other action and accepts such defense, setoff, counterclaim or recoupment as a triable issue in such suit, proceeding or action, the Assignee's prompt notification to the Builder of the asserted defense, setoff, counterclaim or recoupment and the Assignee's giving the Builder the right, at the Builder's expense, to compromise, settle or defend against such defense, setoff, counterclaim or recoupment.

The Builder shall defend any suit or proceeding brought against the Agent so far as based on a claim that the Equipment, insofar as the Equipment or any part thereof was built to the Builder's specifications, furnished under the Conditional Sale Agreement, constitutes an infringement of any patent, if notified promptly in writing and given authority, information and assistance (at Builder's expense) for the defense of same, and the Builder shall pay all damages and costs awarded therein against the Agent. The Builder agrees that any amounts payable to it by the Vendee with respect to the Equipment, whether pursuant to the Conditional Sale Agreement or otherwise, not hereby assigned to the Assignee, shall not be secured by any lien, charge or security interest upon the Equipment or any Unit thereof.

Section 4. The Assignee, on any Closing Date fixed as provided in Article 4 of the Conditional Sale Agreement with respect to the Units purchased on said Closing Date, shall pay to the Builder an amount equal to the portion of the purchase price thereof and such other amount which, under the terms of said Article 4, is payable in installments, provided that there shall have been delivered to the Assignee (with an executed counterpart to the Vendee), on or prior to such Closing Date, the following documents, in form and substance satisfactory to it and to its special counsel Messrs. Pepper, Hamilton & Scheetz in such number of counterparts as may be reasonably requested by said counsel:

(a) A bill of sale from the Builder to the Assignee transferring to the Assignee Security Title to the Units then being settled for under the Conditional Sale Agreement, warranting to the Assignee and to the Vendee (i) that, at the time of delivery of such Units under the Conditional Sale Agreement, the Builder had legal title to such Units and good and lawful right to sell such Units and (ii) that, at the time of delivery of such Units under the Conditional Sale Agreement, title to such Units is free of all claims, liens, security interests and other encumbrances of any nature except only the rights of the Vendee under the Conditional Sale Agreement and the rights of the Lessee under the Lease, and covenanting to defend the title to such Units against the demands of all persons whomsoever based on claims originating prior to the delivery of such Units by the Builder under the Conditional Sale Agreement.

(b) A Certificate or Certificates of Acceptance with respect to the Units as contemplated by Article 3 of the Conditional Sale Agreement and Section 2 of the Lease;

(c) An invoice of the Builder addressed to the Assignee for the Units, accompanied by or having endorsed thereon a certification by the Vendee and the Lessee as to their approval thereof;

(d) The opinions of counsel for the Builder to the effect set forth in Exhibits J and L of the Participation Agreement (as defined in the Conditional Sale Agreement).

The obligation of the Assignee hereunder to make payment for any of the Units assigned hereunder is hereby expressly conditioned upon the Assignee having on deposit, pursuant to the terms of the Finance Agreement, sufficient funds available to make such payment and upon payment by the Vendee of the amounts required to be paid by it pursuant to subparagraph (a) of the third paragraph of Article 4 of the Conditional Sale Agreement. The Assignee shall also not be obligated to make any abovementioned payment at any time while an event of default, or any event which with the lapse of time or the giving of notice or both would constitute an event of default, shall be existing under the Conditional Sale Agreement. In the event that the Assignee shall not make any such payment, the Assignee shall reassign to the Builder, without recourse to the Assignee, the Security Title of the Assignee in and to the Unit with respect to which payment has not been made by the Assignee.

Section 5. The Assignee may assign all or any of its rights under the Conditional Sale Agreement, including the right to receive any payments due or to become due to it from the Vendee thereunder. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, and upon giving the written notice required in Article 14 of the Conditional Sale Agreement, enjoy all the rights and privileges and be subject to all the obligations of the Assignee hereunder.

Section 6. The Builder hereby:

(a) represents and warrants to the Assignee, its successors and assigns, that the Conditional Sale Agreement was duly authorized by it and lawfully executed and delivered by it for a valid consideration; that, assuming due authorization, execution and delivery by the Vendee, the Conditional Sale Agreement is, insofar as the Builder is concerned, a legal, valid and existing agreement binding upon the Builder in accordance with its terms and that it is now in force without amendment thereto;

(b) agrees that it will from time to time and at all times, at the request of the Assignee or its successors or assigns, make, execute and deliver all such further instruments of assignment, transfer and assurance and do such further acts and things as may be necessary and appropriate in the premises to give effect to the provisions hereinabove set forth and more perfectly to confirm the rights, titles and interests hereby assigned and transferred to the Assignee or intended so to be; and

(c) agrees that, upon request of the Assignee, its successors and assigns, it will execute any and all instruments which may be necessary or proper in order to discharge of record the Conditional Sale Agreement or any other instrument evidencing any interest of the Builder therein or in the Equipment.

Section 7. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Pennsylvania; provided, however, that the parties shall be entitled to all the rights conferred by Section 20c of the Interstate Commerce Act, such additional rights arising out of the filing, recording or depositing of the Conditional Sale Agreement and this Agreement as shall

be conferred by the laws of the several jurisdictions in which the Conditional Sale Agreement or this Assignment shall be filed, recorded or deposited, or in which any Unit shall be located, and any rights arising out of the marking on the Units.

Section 8. This Assignment may be executed in any number of counterparts, but the counterpart delivered to the Interstate Commerce Commission for recording and subsequently redelivered to the Assignee shall be deemed to be the original counterpart. Although this Assignment is dated as of the date first written, for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this instrument to be executed in their respective corporate names by duly authorized officials, and their respective corporate seals to be hereunto affixed and duly attested, all as of the date first above written.

[CORPORATE SEAL]

Attest:

GENERAL MOTORS CORPORATION
(Electro-Motive Division)

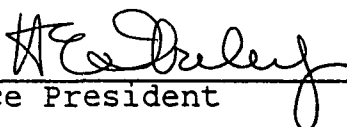
By _____
Vice President

[CORPORATE SEAL]

Attest:


Assistant Secretary

GIRARD BANK

By 
Vice President

STATE OF ILLINOIS

:
:SS.
:

COUNTY OF COOK

On this ____th day of _____, 1978, before me personally appeared _____, to me personally known, who being by me duly sworn says that he is a Vice President of General Motors Corporation (Electro-Motive Division), that one of the seals affixed to the foregoing instruments is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

[NOTARIAL SEAL]

COMMONWEALTH OF PENNSYLVANIA :
:SS.
COUNTY OF PHILADELPHIA :

On this 27th day of September, 1978, before me personally appeared H.E. Ikeler, to me personally known, who, being by me duly sworn says that he is a Vice President of GIRARD BANK, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Diane A. Baxter
Notary Public

[NOTARIAL SEAL]

DIANE A. BAXTER, NOTARY PUBLIC
PHILADELPHIA, PHILADELPHIA COUNTY
MY COMMISSION EXPIRES AUG. 31, 1981
Member, Pennsylvania Association of Notaries

ACKNOWLEDGMENT OF NOTICE OF ASSIGNMENT

Receipt of a copy of, and due notice of the assignment made by, the foregoing Agreement and Assignment is hereby acknowledged as of _____, 1978.

EXCHANGE NATIONAL BANK OF
CHICAGO, not individually
but solely as Trustee

By _____